

cc: Wayne H
Tom M.
MFW
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CLIFTON MINING COMPANY

70 West Canyon Crest Rd. Suite D, Alpine UT 84004
Phone: (801) 756-1414 Fax: (801) 756-5454

FACSIMILE TRANSMISSION COVER SHEET

NAME: Lowell P. Braxton

COMPANY: DOGM

DATE: March 4, 2002

FAX NUMBER: 1-801-359-3940

NUMBER OF PAGES: 3

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FROM: Keith Moeller

COMMENTS:

We have received a letter stating that you want to release our bond money to some third party? Please see the following information. Take Care. Should you have any questions, my phone number is 801-756-1414 ext 41.

Keith

If you have any trouble receiving this facsimile transmission or you do not receive the number of pages indicated above, please call us at (801) 756-1414 Ext. 41.

RECEIVED

MAR 04 2002

DIVISION OF
OIL, GAS AND MINING

CLIFTON MINING COMPANY

70 West Canyon Crest Rd. Suite D, Alpine UT 84004
Phone: (801) 756-1414 Fax: (801) 756-5454

March 4, 2002

Lowell P. Braxton
State Of Utah Department of Natural Resources
Division Of Oil, Gas, and Mining ("DOGM")
PO. Box 145801
Salt Lake City, UT 84114-5801

Dear Mr. Braxton,

Clifton Mining Company is in receipt of your letter dated February 20, 2002, about the partial release of surety associated with both Clifton Mining Company's ("Clifton") and American Consolidated Mining Co.'s ("American") reclamation bonds, Certificate of Deposit Numbers _____ and _____

Please be advised that you and DOGM shall not release, distribute, or assign any part of either of the Reclamation Surety (Certificates of Deposit) for either Clifton or American to any third party without the express written consent of Clifton or American, respectively. There are currently no signed contracts which would assign or transfer any legal right of the reclamation bonds funds to a third party.

Neither Clifton nor American have received any reclamation demands from DOGM. It is our understanding that DOGM has the right to only release bond money to third parties, when DOGM makes a reclamation demand and the responsible party fails to complete the reclamation work in the allotted time. DOGM has made no such reclamation demands of either Clifton or American on the Keiwi or Yellowhammer properties.

Neither Clifton nor American have been ever been advised of any intent to use their bond money to reclaim any properties located in the Yellowhammer or Kiewit areas at all. Clifton has worked hard to maintain a good working relationship with DOGM. Clifton has always done a superior job reclaiming its mining disturbances under the direction of DOGM employees, even to the point of winning an Earth Day Award for the combined efforts.

Besides the above mentioned, there are two other big problems associated with the intent of DOGM to release any of either Clifton's or American's bond monies to third parties. First, Clifton has had no financial association with said IMM-Dworkin Holdings LTD ("IMM"), except that Clifton currently holds a lien against properties now owned by IMM. Also, Clifton's management is amiss as to how or why DOGM would even discuss Clifton's personal bond money position with any third party company, this would seem to be a breach of trust.

Secondly, American has invested millions of dollars into the Kiewit and other properties and because of indebtedness, American was forced to give up ownership of the property to IMM, but none of American's other assets, including the reclamation bond (Certificate of Deposit) was included in the indebtedness to IMM.

American assumes that DOGM made demand to the new owners (IMM Group), to either place the required bond monies in a certificate of deposit for the disturbances on their newly acquired property, or to reclaim it. American can only assume that demands were made, because they have never received any information on the subject from DOGM, nor should they of, since they had no more ownership in the property. In receipt of the DOGM letter, we assume that the reclamation has been completed by the new property owners and that since American's bond money is no longer needed, the money can be released to American post haste.

IMM has never signed any release of the indebtedness for American, after haven taken property that American has spent thousands of hours and millions of dollars to build up. American agrees that IMM has full rights to the property, but they have no right contractually or any other way to any other assets of the corporation including American's bond money. So, since the property in question has been reclaimed according to your letter, then American and Clifton's money is no longer needed and therefore, both American and Clifton respectfully ask that their bond monies (that portion that has been released) be returned to them. Thank you in advance for your assistance with this matter.

Sincerely,



Keith W. Moeller, Property Manager
AMERICAN CONSOLIDATED MINING
CLIFTON MINING COMPANY